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THE
BRITISH EMPIRE

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THE status of the different members of the British Empire, or Commonwealth of Nations, the position of the Crown in Empire relations, the question of Dominion neutrality in time of war, the co-ordination of defence, trade relations within and without the Commonwealth, problems of migration and race—all these and other matters are concisely and clearly explained and discussed in this Pamphlet.

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Definitions

THE British Empire is so vast and complex a political organism that it is even difficult to say exactly where it begins and ends. It may be said to comprise all those territories and peoples for whose government the member-states of the British Commonwealth of Nations are responsible. But already terms and titles creep in that need definition. Since the British Dominions have grown to full self-government, the association of free nations to which they and the United Kingdom belong has come to be known as the British Commonwealth. Some people treat this term as contrasting with British Empire, a title which they reserve for the Crown colonies and other dependent territories only. But this is not the usage of official documents, nor is it satisfactory in practice. In this pamphlet the terms British Empire and British Commonwealth are used to denote the same group of countries, though looked at from different aspects: as the Empire, when the emphasis is on its historical unity and on the intimate inter-connexion of all its members, whatever may be the degree of their self-government; and as the Commonwealth, when the emphasis is on the relationship of free and equal association that subsists among those countries of the Empire which are self-governing and have the status of Dominions.

Dominions and Colonies

The list of such countries comprises the United Kingdom of Great Britain and Northern Ireland,

Canada, Australia, the Union of South Africa, New Zealand, and Ireland (Eire). Newfoundland, up to 1933, was reckoned as a Dominion, but disorder in her finances and public affairs led her to resign her self-governing status for the time being, and she is now autocratically governed by a commission responsible to the Government of the United Kingdom, which provides the money to keep Newfoundland solvent. India has attended Imperial Conferences ever since the World War, and is a separate member of the League of Nations; but she is not fully self-governing, the supreme authority in India being the Viceroy, who is appointed by and responsible to the United Kingdom Government. India, however, has her own Parliament and Ministers, and in virtually all her internal affairs governs herself without any hindrance or coercion. Southern Rhodesia also attends Imperial Conferences as a kind of junior member. She has her own self-governing institutions, but certain subjects of imperial importance are reserved for control from London. Burma, formerly treated as a province of India, sent an 'observer' to the last (1937) Imperial Conference and is no doubt to be regarded as well on the road to 'Dominion status'. The countries of the dependent Empire have varying degrees of local autonomy, stretching from a complicated parliamentary system like that of Ceylon, down to consultation with tribal chiefs in some backward African territory. These dependencies may be classified as Crown colonies, protectorates, and mandated territories, but this grouping bears

little relation either to the degree of political emancipation or to the form of British rule.

Australia, New Zealand, and the Union of South Africa are themselves colonial powers, with colonies and mandated territories for which they are independently responsible.

A Product of History

The British Empire-and-Commonwealth has no written constitution. Nor, of course, has Great Britain herself; but the unwritten constitution of the Empire is far less complete than that of the mother country. For the Empire as a whole has no Parliament of its own, no Cabinet of its own, no central defence force or other executive power of its own. The constitutional linchpin of the Empire is the Crown; but that fact by itself does not convey the whole story, since the position of the Crown in the Commonwealth is itself in a state of flux. The relations of the different parts of the Empire to each other and to the whole are essentially derived from their history and cannot be understood without reference to that history. The Empire is the product of evolution and development, not of design. The process of change is continuous and has not ended. As the old relationship of central authority and outer dependence between the United Kingdom and the Dominions has gradually disappeared, new forms of connexion have taken and are continuing to take its place, though without any conscious long-term plan. In that group the links of partnership have acquired more practical importance than

the constitutional bond; and the Crown, from being the means of central domination, has become the symbol of equal communion. Even if the Crown were now overthrown by some political cataclysm, the nations of the Commonwealth, without any great effort of political construction, could remain in association much as they are to-day, and the Commonwealth would remain a reality.

The Crown

Nevertheless, the Crown is still the constitutional linchpin, if only because in law so much else derives from the Crown. One writes of the Crown and not of the King, who might indeed be described as the tenant of the Imperial Crown for the time being. All through the British Empire (except in Eire) the legislative power is the King-in-Parliament, and executive Acts are done in the name of the King-in-Council—or the Governor-General-in-Council on his behalf. The highest legal bench of the Empire is the Judicial Committee of the Privy Council, which is strictly speaking a committee to advise the Crown how justice is to be done. The Crown, according to the unwritten law of the constitution, is bound to follow the advice of Ministers having the confidence of Parliament. Over United Kingdom affairs, or the affairs of any part of the Empire within the jurisdiction of Parliament at Westminster, the Ministers whose advice His Majesty takes are his United Kingdom Ministers; over Canadian affairs, that of his Canadian Ministers; over South African affairs, that of his Ministers in

the Union of South Africa; and so on. Thus, when their Majesties visited Canada in June 1939, they did not bring with them from London a Minister in attendance, as they would have done if they were visiting a foreign country; for in Canada His Majesty is as much King as in England, and the Canadian Prime Minister is there his responsible adviser. Ordinarily, the King's place is taken in a Dominion by his personal representative, the Governor-General. Much more important than constitutional niceties, as a durable cement between the countries of the Empire and Commonwealth, is personal regard for the Monarch and loyalty towards the throne that he occupies. But these are sentiments which it is hard to measure or analyse, and which, indeed, are bound to vary in intensity from man to man and place to place—a British-born Australian, for instance, feeling a closer personal attachment to the Throne than, say, an Afrikaner in the Union of South Africa.

Is it One or Many?

An argument about the legal position of the Crown in Empire relations has arisen over the claim of certain people in the Dominions that a Dominion has a right to be neutral, if it so decides, in any war in which the United Kingdom or other parts of the Empire may be engaged. To this claim the conventional answer used to be that the Crown was indivisible: that the member-nations of the British Commonwealth were bound together, not by a mere personal union such as formerly joined the thrones of England and

Hanover, but by an integral constitutional bond. Since war is declared and peace made in the name of the King, the orthodox view was that, if His Majesty was at war on behalf of any of his peoples, he must be at war on behalf of them all, wherefore Dominion neutrality was impossible. Recent events, however, have shaken the foundations of this orthodoxy. When King Edward VIII abdicated, separate Acts establishing a 'demise of the Crown' and confirming the new succession were passed by the Parliaments of Canada, South Africa, and the Irish Free State, as well as Parliament at Westminster. The South African Act affirmed that a demise of the Crown had taken place when King Edward announced his intention to abdicate, which was one day earlier than the passage of the United Kingdom Act; while the Irish measure, acknowledging the new succession, was passed a day later than that Act. Thus the Crown was so far divisible that different monarchs were reigning on the same day in different countries of the British Commonwealth. Another and more recent example was the Irish decision to recognize the King of Italy as Emperor of Abyssinia; this recognition, which could only be expressed in the name of the King, was made before the Italian Empire in Abyssinia was recognized by the King on behalf of the United Kingdom or any other part of the Commonwealth.

The Right to Dominion Neutrality

From such an example of the Crown's acting differently in international affairs on behalf of

the several members of the Commonwealth (an example that could easily be multiplied), it is no far cry to the Crown's being at war on behalf of one part of the Commonwealth but at peace on behalf of another. Whether that situation would be likely to arise in practice, or would be tolerated by other belligerents, is another question; but the legal divisibility of the Crown even on the issue of peace and war may be taken as now established. Two member-nations of the Commonwealth—South Africa and Ireland—have frankly asserted the right to neutrality, without formal protest from any quarter, and Canada leads the other Dominions in a policy of insisting that it is for their own Parliaments to decide what line they would take in the event of war affecting their fellow members.

The Balfour Memorandum

These rights of the Dominions—and no less of the United Kingdom—flow naturally from the definition of their status contained in the famous Balfour Memorandum—strictly, the report of the Inter-Imperial Relations Committee of the 1926 Imperial Conference. The Dominions and the United Kingdom were described as

‘Autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common allegiance to the Crown, and freely associated as members of the British Commonwealth of Nations.’

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with the right of one member-nation to commit its partners to war, thus rendering them subordinate and denying their equality. This remains true despite the fact that, as the report went on to declare, 'the principles of equality and similarity, appropriate to status, do not universally extend to function'.

The Supremacy of which Parliament ?

When the above definition was propounded, it was at once seen not to be in precise accord with the legal position then existing, more especially in respect of the right still remaining with the Parliament at Westminster to pass laws applying to the Dominions, if it so chose. This right was a legacy of the historical development whereby a Dominion like Canada, once governed directly by the Crown as advised by the only Parliament then existing in the Empire, had gradually been given self-government, culminating in a 'Dominion' constitution, which was embodied in an Act of that same Westminster Parliament.

The Statute of Westminster

The so-called Statute of Westminster, 1931, was the response to this clash between legal forms and the substantial truth of the Balfour definition. The central provision of the Statute of Westminster—it had others, which there is not space to mention here—was to empower Dominion Parliaments to repeal or amend any Acts of the Parliament of the United Kingdom applying to them, and to declare that no such Act should

extend to a Dominion as part of its law unless that Dominion had requested and consented to its enactment. The Statute of Westminster, then, establishing the supremacy of the Dominion Parliaments in their own field, is the legal 'marriage-lines' of the Commonwealth of equal nations. But it did not do much more than bring law into line with existing convention and political facts. The Balfour Memorandum itself—documentary father of the Statute of Westminster—only put into words a situation already in being.

The Position of Ireland

Under the legal shelter of the Statute of Westminster, a number of important constitutional measures have been passed in the Dominions. The Irish Free State, in particular, passed a series of Acts amending her constitution, notwithstanding the terms of the Anglo-Irish Agreement of 1921, which had been embodied in a United Kingdom Statute previously unrepealable by the Free State. The climax was the new Irish constitution of 1937, under which the Irish Free State vanished and there appeared in its stead the historic Ireland (in Erse, 'Éire'), at present confined as a political unit to twenty-six of the thirty-two counties of the island. (The six counties of the north-east, commonly referred to as 'Ulster', are part of the United Kingdom of Great Britain and Northern Ireland, but have a separate Parliament and Government of their own for certain local purposes, as well as sending representatives to Westminster.) The new Irish constitution

contains no mention of the Crown. The office of Governor-General has been abolished altogether, most of his former functions as acting Head of the State being assigned to an elected President. The constitution, however, is on the British pattern and sets up a republic neither in form nor in name. The Crown is retained, under a subsidiary Act, as an 'instrument' for action in external affairs (subject always to the advice of Irish Ministers), so long as this shall remain convenient and so long as Ireland shall remain associated with the other members of the British Commonwealth of Nations. These Irish developments are proof of the great flexibility of the Commonwealth connexion.

Nationality

The Statute of Westminster led to an increase of the complications and anomalies that already characterized the law of nationality in the British Empire. The 'common status' (British subjecthood), shared by all citizens of the British Empire, is to be distinguished from the purely national citizenship which is granted them by the particular member-countries to which they belong. It is for each self-governing member to pass laws affecting that local citizenship and to decide what rights shall locally attach to the common status, but the latter is not created nor can it be abolished by the laws of any one of them alone. Canada, the Union of South Africa, and Ireland have established their own distinct 'nationalities'. In the United Kingdom, on the other hand, and in many other parts of the Empire including the Dominions of Australia

and New Zealand, while residence or other special qualifications may be demanded as the condition of local rights like the franchise, there is no separate local nationality, the question of basic importance being whether or not the individual is a British subject. (He may be a 'British protected person'—if, for instance, he is an inhabitant of a British protectorate or mandated territory—and in that case he will be treated for some purposes as a British subject and for others as an alien.) The United Kingdom, that is to say, identifies the local citizenship with the common status, as befits the chief mother country and the metropolis of a great empire comprising many races and nations.

The Imperial Conference

The process whereby the countries now Dominions have become fully self-governing States, with tariffs, defence forces, foreign policies, and nationality laws of their own, would no doubt have spelt the gradual dissolution of the Empire had it not been accompanied by the development of new co-operative institutions to take the place of the old centralized and 'imperialistic' ones. Of these new institutions the most important is the Imperial Conference (or Commonwealth Conference, as it will soon no doubt come to be called). The Imperial Conference is not a Parliament; it is only a round-table meeting of Governments. It has no executive power or authority of its own; even though its reports are unanimous—as they always are—they can be implemented only by the separate and independent action of the participating Governments.

The Conference has no statutory existence, nor any permanent secretariat, nor does it meet at regular intervals. Yet it is the most important of the modern co-operative institutions of the British Commonwealth because it provides the only means whereby all the self-governing nations of the Commonwealth (with a few not yet fully self-governing) can discuss at a common table their common problems, especially in the fields of defence and foreign policy.

Advisory Imperial Bodies

Associated with the Imperial Conferences, and as a rule set up by their resolutions, are a number of secondary bodies to which the member countries of the Commonwealth belong and which advise them in specialized fields. The list includes the Imperial Economic Committee, the Imperial Shipping Committee, the Executive Council of the Imperial Agricultural Bureaux, Institutes for forestry, mycology, and other technical matters, and the Imperial War Graves Commission. Funds for these activities are provided by the participating countries on fixed scales of proportion. Only the last-named, however, has any real executive power of its own, the others being merely advisory to Governments. This, of course, does not exhaust the list of bodies in which the members of the British Commonwealth participate co-operatively. There are bodies like the Medical Research Council which have been established by the United Kingdom but which serve imperial purposes and in which representatives of other member-nations

take part. There are an almost indefinite number of semi-official and private associations organized on a co-operative imperial basis. These are a vital part of the fabric of the British Empire in practice.

Devolution in Defence

One field of public activity in which the co-operative nature of British imperial endeavour is not always fully understood is that of defence. There is no joint defence force maintained by the whole of the British Empire in times of peace. The forces of the United Kingdom are raised and disposed with a view to the defence of the Empire as a whole; but equally they are raised and disposed with a view to helping in the most effective manner allied foreign countries like France or Egypt. Under the supreme authority of the United Kingdom Government (and therefore capable of instant unity of command with the forces of the United Kingdom herself if need be) are the defence forces of India and the whole of the dependent Empire. But these forces are raised by India and the dependencies primarily for their own defensive purposes, and are paid for out of their own moneys; they cannot therefore be regarded as mere reinforcements of the United Kingdom army, navy, and air force, but rather as distinct centres of military power in a world-wide complex. As for the forces of the self-governing Dominions, even in time of war the question of their submission to imperial unity of higher command would be one for the Dominions themselves to decide. It is a prime element in the

defence policy of every Dominion—and the principle has been recognized and re-endorsed by successive Imperial Conferences—that the first charge upon its efforts must be local national defence.

Common Defence Problems

But neither the Imperial Conference resolutions nor the policies of the Dominions have stopped there. Two further connected principles have also been recognized and put into practice. The first is that command of the seas is vital to the defence of the member-nations of the British Commonwealth both jointly and severally. In accordance with this principle, Australia maintains a substantial navy which in war-time would come under unity of command with the British Fleet in the Pacific and the Indian Oceans; and New Zealand maintains at her own charge a miniature division of the Royal Navy. India and Canada also have small naval forces. There have in the past been direct financial contributions from the oversea Empire to the maintenance of the Royal Navy. As an essential corollary to the first principle, the second principle is that all the member-nations are concerned to maintain a series of naval bases and fortified ports (and also, nowadays, air bases) covering strategically the whole Empire. In accordance with this principle the Union of South Africa maintains the naval base of Simonstown and the land defences of Capetown for the British Navy; New Zealand and Malaya have contributed large sums to the construction of the Singapore base; Australia is fortifying and improving the port at

Darwin; and under a long-standing agreement with Canada the fortified ports of Halifax and Esquimalt become available for the British navy in time of war. Ireland has undertaken to maintain the shore defences of three important naval harbours, though of course if she elected to be neutral they could not be used by the British fleet—nor by Britain's enemies. India and the dependent Empire also share in the defence and upkeep of a vast chain of naval bases and fortified ports—Gibraltar, Malta, Aden, Bombay, Trincomalee, Singapore, Hong Kong, Kilindini, Freetown, Bermuda.

Defence Co-ordination

The pattern of imperial defence may therefore be drawn in terms of a series of separate centres of power, some of which, after taking care of local defence, are able to contribute to something wider, while others, on the other hand, are likely to require reinforcement from a common pool. It is in regard to overlapping needs and opportunities in defence that co-ordination between the different Empire countries becomes most necessary. This co-ordination is achieved on three planes: technical, strategic, and political. In technique, the defence forces of the whole Commonwealth are uniformly planned; they use the same equipment and similar manuals of training, and officers of the several national forces are constantly undergoing training with the forces or in the staff colleges of other member-nations (including the Imperial Defence College in England, which was expressly created to give instruction in the higher problems of

imperial defence). The key to strategic co-operation is the Committee of Imperial Defence. This is, technically, an advisory committee of the United Kingdom Cabinet, but Dominion representatives have attended it, as its regulations indicate they should, when matters specially affecting their countries have been discussed, and the committee maintains the closest liaison with Dominion defence forces and departments.

Mutual Aid

These technical and strategic relations, however, would be of little value if there were not also political liaison on defence matters. Between the several Governments of the British Empire there is a constant interchange of information on defence questions and frequent consultation on problems of major strategic policy. Defence is prominent on the agenda of Imperial Conferences. A highly important example of such inter-governmental interchange took place early in 1939, when representatives of the United Kingdom, Australia, and New Zealand met in the last-named country with a view to co-ordinating defence plans in the Pacific area. This followed on the dispatch to Australia and New Zealand, at their request, of United Kingdom air missions to consider how best their air-force expansion plans could be fitted into a co-operative pattern of defence. From these discussions there emerged the clear conclusion that the Dominions should be assisted to become separate sources of munitions and mechanical equipment, as well as man-power and other material, with the aim first of self-sufficiency and then of

being able to supply other British countries in their region.

High Commissioners

In general, consultation and co-ordination of defence matters on the political plane are only part of the wider scheme of inter-governmental co-operation in the modern British Empire. This scheme has four main elements: the Imperial Conference, which has already been described, the quasi-ambassadorial system of High Commissioners, the machinery of the Dominions Office, and direct bilateral ministerial relations. The need for a quasi-ambassadorial system of contact became apparent when the Governors-General in the Dominions, who had formerly been agents of the United Kingdom Government as well as representatives of the Crown, dropped the first of those functions in accordance with new ideas of 'Dominion status'. High Commissioners for the United Kingdom, performing many of the functions that are discharged by ambassadors in foreign countries, now reside in the capitals of Canada, Australia, South Africa, and New Zealand. In trade matters they are assisted by trade commissioners, who operate in the principal commercial cities (including Dublin, where there is no High Commissioner). The trade commissioners act under the Board of Trade (Department of Overseas Trade), and the High Commissioners under the Dominions Office, but they work closely together. Formerly, the Dominion High Commissioners in London were mainly concerned with trade and similar affairs, but with the development of Dominion autonomy they, too, have grown

to quasi-ambassadorial status, and the most important matters with which they are concerned are foreign affairs and other issues of politics. In all major international matters the Dominion High Commissioners are kept constantly informed, and the views of their Governments are sought through them.

The Dominions Office

The Dominions Office was detached from the Colonial Office in 1925, and given its own Cabinet Minister. The development of Dominion autonomy has made it a kind of 'Foreign Office' for the Commonwealth. Its main functions are fourfold: to maintain regular contact with Dominion Governments, transmitting to them information of common concern, especially information obtained from the Foreign Office, and receiving their information in return; organizing Imperial Conferences and other special meetings; bringing to bear expert knowledge of the affairs of the Dominions, upon the conduct of United Kingdom policy; and conducting major negotiations on special issues affecting the Dominions, such as the disagreements with Ireland which happily ended with the Anglo-Irish accord of April 1938.

Diplomatic Representation

The information on foreign affairs which the Dominions Office dispatches to the several Dominion capitals is provided by the Foreign Office and transmitted as it stands. Apart from problems of co-ordination of policies in the Commonwealth, the Dominions need this secret information, because

none of them has a complete diplomatic service of its own. Canada, Ireland, and the Union of South Africa have a few Ministers-Plenipotentiary in the capitals of foreign countries with which they have special ties. Australia has a 'liaison officer' attached to the British Embassy at Washington, and the new Australian Government of May 1939 announced its intention of creating direct diplomatic contacts with the other countries of the Pacific. New Zealand has no diplomatic representatives abroad. Where they have no Ministers of their own, all the nations of the Commonwealth rely for information and the protection of the interests of their citizens on the British diplomatic service. Similarly, only the United Kingdom has a complete system of consular and trade representatives, the Dominions being represented only where they have special interests.

Consultation between Prime Ministers

Apart from communication through other channels, the Imperial Conferences have established the right of Dominion Prime Ministers to communicate personally and directly with the Prime Minister of the United Kingdom. The more acute the international situation becomes, the more important grows this line of direct communication. When the United Kingdom Prime Minister, or his Foreign Secretary, takes momentous decisions at moments of crisis in foreign affairs, he does so in full awareness of the views and policies of the Dominions—or, if he is not so aware, the fault lies with them, since they have ample means of informing him and their opinion is always sought.

Imperial Preference

The preceding paragraphs have been mainly concerned with the self-governing Dominions and the United Kingdom, the problems of the dependent Empire and of India being of a different order. In economic matters also, it is important to keep apart in one's mind the self-governing and the non-self-governing parts of the Empire. In this respect, India is certainly to be reckoned among the self-governing countries, since for many years it has been established as a firm convention that her Government and Parliament decide her own tariff policy. The distinction between the self-governing countries and the others is important because any preferential arrangements which the former make among themselves must be balanced bargains between equals, not a product of exploitation by an imperial power. Whether the preferential arrangements made with, and on behalf of, the dependent countries of the Empire are to be regarded in the latter light is a matter of controversy: while there is naturally a temptation for the imperial country to favour its own side of the exchange, it is the fact that every colony which has been asked to give preference to United Kingdom goods has also shared in imperial preferences for its own products in the United Kingdom market, and that United Kingdom negotiators have protected and advanced the interests of the dependent Empire in negotiations with the self-governing Dominions or with foreign countries. In any case, the United Kingdom has no monopoly in the trade of any colony, no special privileges in buying colonial

exports, and a preferential advantage only in selling certain lines of goods to some colonial territories.

The Open Door

In a few British colonies, and in all mandated territories under British tutelage, trade is open to all comers on equal terms, in accordance with international treaties. There may be tariff duties, but no preferences. This system is called the Open Door, and it was general throughout the British dependent Empire (except parts of the West Indies) until a few years ago. Its existence in the dependent Empire was largely a by-product of the fact that Britain herself was free-trade. The Ottawa Conference is often accused of having abolished the colonial Open Door, but this is not so. Preferential duties had already crept into the tariff schedules of many dependencies: the Ottawa Agreements only ratified and stiffened an existing policy by formally undertaking, on behalf of the dependent Empire, to maintain certain preferences which would benefit the Dominions, in return for preferences in Dominion markets for colonial products. Many people believe that a return to the Open Door throughout the dependent Empire is the proper line for British imperial economic policy, on grounds both of international politics and of the proper relation between a trustee nation and its colonial wards.

The Ottawa Conference

The Ottawa Conference was held in 1932 as a result of the adoption by the United Kingdom, earlier that year, of a general protective and

preferential tariff. So long as the United Kingdom remained on a free-trade basis, with only a few tariff duties, no general system of mutual preferences throughout the British Empire was possible. In the eighteenth century the economic system of the British Empire had involved very strong preferences and monopolies in trade and shipping, but the liberal ideas of the nineteenth century had swept all that away. Preference crept back again by the back door. A wave of protectionism swept the world in the 'eighties and 'nineties, and the Dominions began the career of high protection that they have pursued ever since. In doing so, they mollified opposition within and without by imposing lower tariffs on British than on foreign goods. The British preferences in the tariffs of the Dominions were regarded by them as a tribute to the general advantages that they enjoyed as member-nations of the British Commonwealth. The free-trade policy of the United Kingdom prevented them from asking a direct return, but they did obtain in exchange an economic advantage which was much more important to them than any preferences: they were assured that the United Kingdom market would always be open to them without hindrance or limit, even though they had always to compete there on level terms with foreign producers. Preference for Dominion food-stuffs could only go hand in hand with protection for the British farmer.

The Agreements

The adoption of protection in the United Kingdom put a new face on all this. There was a general

desire in the United Kingdom to offer some return for preferences enjoyed in Dominion markets. There was an equally strong desire to bring down some of the very high protective tariffs that the Dominions had imposed on British goods, let alone foreign goods; through bargaining with the Dominions to this end, it was hoped that imperial preference could be made an instrument to 'clear out the channels of trade among ourselves', as Mr. Baldwin put it at Ottawa. The result of the negotiations was not very comfortable to this hope. A series of agreements was signed between the United Kingdom and the several Dominions, whereby the former guaranteed certain preferences both in tariffs and in quotas (the same preferences for all British countries) in return for certain enlargements of preference in the Dominions. The net effect was a raising of tariffs against foreign countries which rather more than compensated for the lowering of tariffs within the Empire itself. G27396/52098

The results of the Ottawa Agreements are hard to distinguish from the effects of other forces playing upon world trade since 1932. There has been, both in the Dominions and colonies and in the United Kingdom, a certain diversion from foreign trade to trade with other British countries, but not on any devastating scale. Increasing purchases of Dominion goods by the United Kingdom have been the dominant factor in Empire trade since 1931, protection for the Home farmer not having yet been as potent as protection for the Dominion manufacturer. All the Dominions are becoming, each in its own degree, steadily more industrialized.

Empire Trade and World Trade

Lately there has been a strong trend of opinion within the British Empire against too great reliance on Empire markets alone. Both the Dominions and the United Kingdom have sought to modify preferences in order to enable them to strike more favourable arrangements with foreign countries. While proportionately the Dominions are much more highly dependent than is the United Kingdom on Empire markets, no country of the Empire can prosper without also cultivating markets in foreign countries. The later trend found expression in the Anglo-Canadian trade treaty replacing the Ottawa Agreement by more liberal provisions, and above all in the Anglo-American trade pact. The latter is proof that imperial preference, though a handicap to the negotiation of freer-trade treaties with the world at large, is not a final obstacle.

Raw Materials and Foodstuffs

In general, imperial economic policy may be described as preferential but not exclusive. Within the limits set by tariffs and preferences, with a few quotas (and at present an import licensing system in New Zealand), all countries of the world may sell as they can in Empire markets, and throughout the Empire they may buy what they can afford, without hindrance by export duties or administrative controls. This is an important fact in relation to the problem of raw materials and foodstuffs. The Empire is a great supplier of foodstuffs and raw materials to the world, but, vast as it is, it is not self-

sufficient in this respect, nor has it sought to be so. If the United Kingdom and her dependencies alone are considered, as being the 'Empire' in the sense of subjection to a single imperial rule, there is a net deficiency of every important foodstuff except fresh milk, tropical fruits, vegetable oils, cocoa, tea, and coffee. In this respect the United Kingdom and her colonies together are worse off than either Germany, Italy, or Japan. The position is radically altered by the inclusion of the self-governing Dominions and India. The whole Empire is then seen to have an exportable surplus of wheat and to be approximately self-sufficient in rye, rice, and potatoes. Even so, it is still partly dependent on foreign sources for maize, beef, pork, bacon and hams, mutton and lamb, butter, cheese, and sugar.

Self-Sufficiency

In raw materials the United Kingdom and the British dependent Empire together have an exportable surplus of tin, manganese, coal, rubber, and graphite. They are approximately self-sufficient in bauxite, vanadium, phosphates, sisal, and vegetable oils, but have large or small deficiencies in everything else. If the Dominions and India are brought in, the following are added to the list of raw materials of which there is an exportable surplus: lead, nickel, chromium, vanadium, asbestos, platinum, wool, jute, and vegetable oils. In addition, there is approximate self-sufficiency in iron (though special ores have to be imported), copper, zinc, bauxite, tungsten, magnesite, phosphates, sisal, timber, and vegetable oils. The whole Empire remains partly

dependent on outside sources for sulphur or pyrites, and cotton; and largely or entirely dependent on outside sources for molybdenum, antimony, petroleum, potash, mercury, silk, flax, hemp, and manilla. It is therefore plain that the Empire has no interest in exclusive economic policies; indeed, self-sufficiency, even where attainable, has never been its aim.

Shipping

In merchant shipping matters, which are of the greatest importance for a maritime empire, each self-governing British country has its own policy and laws. This has sometimes led to difficulties. There is no Empire shipping policy nor any body to shape it or carry it out, a point that has been adversely remarked upon by the (purely advisory) Imperial Shipping Committee in a report of 1939, on shipping in the Far East. It has not been part of the policy of the several Empire countries to reserve to Empire ships the trade between one Empire country and another, though this has been recently discussed as a possible retort to foreign shipping subsidies. Two characteristics of Empire shipping strongly oppose it: the great predominance of the United Kingdom in the mercantile marine of the Empire; and the fact that the shipping of the Empire, like the trade of the Empire, depends for its prosperity not only on imperial but also on foreign custom. The Empire has an 'export surplus' in shipping, and in shipbuilding too, and this is one of the prime reasons why it has an interest in the greatest possible flow of world trade.

Migration

The Empire used also to have an exportable surplus of migrants, who moved out to the United States and on a smaller scale to other immigrant countries. Now it has scarcely enough suitable human material to satisfy its own needs. The rate of increase of the population of Great Britain is no longer large enough to provide the surplus which previously migrated, generation by generation, to the Dominions. The United Kingdom has become, on balance, an immigrant country since 1930, not only reabsorbing a certain number of earlier emigrants who had been defeated by adverse economic conditions abroad, but also taking immigrants from Ireland and from Europe. At the same time the Dominions have reached a stage of their economic development in which they do not need immigrants on the same scale as before, nor of the same kind. Even before 1929 the agriculture of the Dominions was only just able to support the natural increase of the existing agricultural population; when fresh immigrants went on the land, they merely took the place of Dominion citizens who drifted into the towns. To-day, with world surpluses of primary products weighing down markets, it is less than ever the land that supplies the pulling power for Empire migration. The need of the Dominions for an enlarged labour force lies in their manufacturing industries and their service industries. The flow of refugees from central Europe is supplying them with some of the skilled manpower and brain-power that they need. Otherwise,

large-scale migration within or into the Empire (and the corresponding international capital development) must await a radical change in world economic conditions, and above all a moderation of nationalism in Europe.

The Problem of Race

The problem of migration within the Empire has another aspect of great importance. That is the racial aspect. The United Kingdom does not discriminate on grounds of race or colour in regard to the entry of British subjects; the Dominions, however, impose restrictions—amounting in some cases to prohibitions—on the admission of immigrants not of white race. As non-white peoples in the Commonwealth rise to the stature of self-governing nations, and assert their rights with growing self-assurance, this problem is bound to become more acute. It is not a simple problem, but it is vital for the future of the world, since in the long run relations between races are likely to prove much more decisive in the story of mankind than relations between nations. The British Empire, with its peoples from every continent and of every colour joined in a live international community with common institutions and ideas, is itself half-way to a solution. The inter-racial problems created, for instance, by the rise of India to nationhood are much more easily solved with India in the British Commonwealth than if she were outside it.

The Future of India

The advance to democracy and self-government of peoples 'not yet able to stand by themselves in

the strenuous conditions of the modern world' is a fundamental objective of British colonial policy. India, a vast sub-continent of many races and tongues, is in a class by herself: she has been specifically promised 'Dominion status' in due time. Dominion status may be defined as national independence within the British Empire, and India would be within sight of it if the new constitution passed by Parliament in 1935 were to go fully into force. At present the provisions for qualified responsible government at the centre are held up by difficulties in bringing to birth the federation of so-called British India and the Indian princely states. But the equally important part of the constitution, giving full autonomy in their own field of activity to the Indian provinces, is already in force.

Colonial Trusteeship

In the colonial Empire, and in Burma, the fostering of self-government takes a variety of forms—sometimes, as for example in Burma, Ceylon, the West Indies, the creation of popular legislatures and governments on the European model; elsewhere, the protection and strengthening of political institutions native to the country, from the rule of hereditary rajas in the Malay States to the conduct of local administration through chiefs and village headmen in parts of West Africa. British and colonial policy has also been expressed in terms of the 'Dual Mandate'—an assumption of trusteeship, first towards the colonial peoples, for the protection of their interests and for their advancement in civilization, and secondly towards the world, for

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the development of colonial areas and resources in the interests of mankind as a whole.

An Empire of Freedom

The British Empire is far from perfect. It has come into being through historical events not all of which were creditable. The policies of its members in economic, political, racial, and colonial affairs are doubtless often open to criticism—criticism which they are constantly undergoing from its own citizens, individually or by way of their press, parliaments, and institutions. Through all its affairs blows the keen and cleansing wind of democracy, based on freedom of speech, of the press, and of association. These are the fundamentals of the British Empire way of life. If they were to go it would not matter that the Empire was physically strong or economically prosperous; for it would have abandoned its message and lost its value for the world.

